



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

Megan Sowards Newton, Esq.  
Jones Day  
51 Louisiana Avenue, NW  
Washington, DC 20001

MAY 17 2017

RE: MUR 7215  
Oklahoma Leadership Council and  
Peter Leo Hodges in his official capacity  
as treasurer

Dear Ms. Newton:

On May 11, 2017, the Federal Election Commission accepted the signed conciliation agreement submitted on behalf of Oklahoma Leadership Council and Peter Leo Hodges in his official capacity as treasurer in settlement of a violation of 11 C.F.R. § 106.7(d)(1). Accordingly, the file has been closed in this matter.

Documents related to the case will be placed on the public record within 30 days. *See* Disclosure of Certain Documents in Enforcement and Other Matters, 81 Fed. Reg. 50,702 (Aug. 2, 2016). Information derived in connection with any conciliation attempt will not become public without the written consent of the respondents and the Commission. *See* 52 U.S.C. § 30109(a)(4)(B).

Enclosed you will find a copy of the fully executed conciliation agreement for your files. Please note that the civil penalty is due within 30 days of the conciliation agreement's effective date.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

*Delbert K. Rigsby*  
Delbert K. Rigsby  
Attorney

Enclosure  
Conciliation Agreement

17044416279

RECEIVED  
FEDERAL ELECTION  
COMMISSION

**BEFORE THE FEDERAL ELECTION COMMISSION**

2017 MAY 15 AM 8:33

In the matter of

Oklahoma Leadership Council  
and Peter Leo Hodges in his  
official capacity as treasurer

)  
) MUR 7215  
)

OFFICE OF GENERAL  
)

**CONCILIATION AGREEMENT**

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This matter was initiated pursuant to information ascertained by the Federal Election Commission (the "Commission") in the normal course of carrying out its supervisory responsibilities. Based on a Commission audit of the Oklahoma Leadership Council for the time period of 2011-2012, the Commission found reason to believe that the Oklahoma Leadership Council and Peter Leo Hodges in his official capacity as treasurer ("Respondents" or "Committee") violated 11 C.F.R. § 106.7(d)(1).

NOW, THEREFORE, the Commission and the Respondents, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 52 U.S.C. § 30109(a)(4)(A)(i).

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondents enter voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. The Committee is a state party committee of the Republican Party. Peter Leo Hodges is the current treasurer of the Committee, and was not the treasurer at the time of the activity addressed in this Agreement.

2. Commission regulations provide that salaries, wages, and fringe benefits "[paid] to State, district, or local party committee employees who spend 25 percent or less of their compensated time in a given month on Federal election activity or on activity in connection with a Federal election" may be allocated as administrative costs; *i.e.*, may be paid with a combination of funds from the committee's federal and non-federal accounts. 11 C.F.R. §§ 106.7(c)(1), (d)(1)(i), and (d)(2). Commission regulations also provide that when allocating salary, wage and fringe benefit payments, political party committees are required to "keep a monthly log of the percentage of time each employee spends in connection with a federal election." 11 C.F.R. § 106.7(d)(1).

3. As set forth in the Final Audit Report, the Commission found that the Committee failed to maintain monthly payroll logs for payments totaling \$178,305 in 2011 and 2012 that it disclosed as having been paid with an allocation of federal and non-federal funds.

V. Respondents violated 11 C.F.R. § 106.7(d)(1) by failing to maintain monthly payroll logs to document the percentage of time each employee spent in connection with a federal election.

VI. 1. Respondents will pay a civil penalty to the Commission in the amount of Five Thousand Dollars (\$5,000), pursuant to 52 U.S.C. § 30109(a)(5)(A).

2. Respondents will cease and desist from committing a violation of 11 C.F.R. § 106.7(d)(1).

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VII. The Commission, on request of anyone filing a complaint under 52 U.S.C. § 30109(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

VIII. This agreement shall become effective as of the date that all parties hereto have executed the same and the Commission has approved the entire agreement.

IX. Respondents shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained within this written agreement shall be enforceable.

FOR THE COMMISSION:

BY: Kathleen Guith  
Kathleen Guith  
Associate General Counsel  
for Enforcement

5/16/17  
Date

FOR THE RESPONDENTS:

Peter Leo Hobbes  
(Name) Peter Leo Hobbes  
(Position) Treasurer

4-18-2017  
Date

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